

Washington, D.C. - A long-time advocate of small businesses as the engine for economic growth and increased employment, Congresswoman Melissa Bean (IL-08) urged colleagues to continue and expand upon successful measures to increase access to capital for small businesses, including her Express Loans Improvement Act. Bean joined colleagues at a rare joint hearing today of the Financial Services and Small Business committees. Bean sits on both.

"This joint hearing allows me an opportunity to point out the critical relationship between our financial services community and our small businesses," Bean said. "As I talk to small business owners and employees across the 8th District, among their chief concerns is access to capital on affordable terms for credit-worthy businesses. The lingering effects of the financial crisis have reduced their credit options. While the adjustments we've made to some SBA loan programs have helped, increasing the secondary market for SBA loans by 500 percent and leading to \$20 billion in SBA loans, more still needs to be done."

The Express Loans Improvement Act, introduced jointly by Bean and Congresswoman Kathy Dahlkemper (PA-03), would make changes to the Small Business Administration's (SBA) Express Loans program, which gives an established network of lenders greater loan approval responsibility with less bureaucracy and shorter approval times. Under current law, the SBA guarantees up to 50 percent of the loan and the maximum loan size is \$350,000.

The Dahlkemper-Bean proposal would raise guarantees to 75 percent for two years to address the immediate credit crunch, then to 60 percent in subsequent years, while raising the maximum Express loan value to \$1 million. These changes are similar to successful changes made to the SBA's 7(a) and 504 loan programs earlier this year.

To protect taxpayers, the bill directs the SBA to strengthen collateral rules and requires annual reporting to Congress on progress towards default rate reduction.

The Express Loans Improvement Act has been endorsed by the U.S. Chamber of Commerce, the National Association of Government Guaranteed Lenders, Small Business Council of America, American Bankers Association, the American Small Business League, and the Independent Community Bankers of America

Bean has been a strong advocate for small business credit access issues. Last year she recently joined colleagues to pass the Small Business Financing and Investment Act of 2009, which extends and expands successful changes to SBA lending programs advocated by Bean and first included in the Recovery Act. Those changes included a reduction of fees for lenders and borrowers on the 7(a) and 504 loan programs and an increase in government guarantees on 7(a) loans from 75 and 85 percent to as high as 90 percent. As a result, over the past year, SBA loans have reached nearly \$20 billion, and weekly loan approval volumes have increased by 79 percent.

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